

SENATE BILL No. 651

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10.2-4-4; IC 5-10.2-4-4.5.

Synopsis: PERF pension benefits. Provides that the multiplier used in calculating pension benefits for a PERF member who retires after June 30, 1999, with at least ten years of service as a state employee is equal to 1.2% plus an additional 0.02% for each year of service that exceeds ten years. Provides that this increased multiplier also applies to employees of a PERF covered employer other than the state if the employer makes an election. Provides that the multiplier used for members of PERF who become disabled after June 30, 1999, with at least five but less than ten years of service is equal to 1.2%. (Current law provides that the multiplier for PERF members is equal to 1.1%.)

Effective: July 1, 1999.

Hume

January 22, 1999, read first time and referred to Committee on Pensions and Labor.



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First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

SENATE BILL No. 651

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-10.2-4-4 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. (a) The computation
3 of benefits under this section is subject to IC 5-10.2-2-1.5.

4 (b) For retirement benefits payable on and after July 1, 1975, for a
5 member retired on and after January 1, 1956, the pension (p) is
6 computed as follows:

7 STEP ONE: Multiply ~~one and one-tenths percent (1.1%)~~ the
8 **applicable percentage (ap)** determined under section 4.5 of
9 **this chapter** times the average of the annual compensation (aac)
10 and obtain a product.

11 STEP TWO: To obtain the pension, multiply the STEP ONE
12 product by the total creditable service (scr) completed by the
13 member on his retirement date.

14 Expressed mathematically:

15 $p = \text{(~~0.11~~) (ap) times (aac) times (scr)}$

16 (c) Unless the member has chosen a lump sum payment under
17 section 2 of this chapter, the annuity is the amount purchasable on the



member's retirement date by the amount credited to the member in the annuity savings account. The amount purchasable is based on actuarial tables adopted by the board under IC 5-10.2-2-10 at an interest rate determined by the board but no greater than the average interest rate earned during the immediately preceding fiscal year ending June 30 on bonds held in the investment portfolio of the fund.

SECTION 2. IC 5-10.2-4-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 4.5. (a) For a member of the Indiana state teachers' retirement fund, the applicable percentage referred to in section 4(b) of this chapter is one and one-tenth percent (1.1%).**

(b) For a member of the public employees' retirement fund who:

(1) retires before July 1, 1999; or

(2) retires after June 30, 1999, and is not described in subsection (c), (d), or (e), the applicable percentage referred to in section 4(b) of this chapter is one and one-tenth percent (1.1%).

(c) For a member of the public employees' retirement fund who becomes disabled for purposes of IC 5-10.2-4-6 after June 30, 1999, and who has at least five (5) but less than ten (10) years of creditable service, the applicable percentage referred to in section 4(b) of this chapter is one and two-tenths percent (1.2%).

(d) For a member of the public employees' retirement fund who retires after June 30, 1999, and who has at least ten (10) years of creditable service as a state employee in a position covered by the fund, the applicable percentage referred to in section 4(b) of this chapter is equal to the sum of:

(1) one and two-tenths percent (1.2%); plus

(2) two-hundredths of one percent (0.02%) for each full year of creditable service by the member in excess of ten (10) years.

(e) The governing body of an employer other than the state may elect to be subject to this subsection. For a member of the public employees' retirement fund who retires after June 30, 1999, and who has at least ten (10) years of service credit as an employee of an employer that has elected to be subject to this subsection, the applicable percentage referred to in section 4(b) of this chapter is equal to the sum of:

(1) one and two-tenths percent (1.2%); plus

(2) two-hundredths of one percent (0.02%) for each full year of creditable service by the member in excess of ten (10) years.

